

Bureau of Land Management, Interior

§ 3214.22

by the Department of Treasury (see Department of the Treasury Circular No. 570 which is published in the FEDERAL REGISTER every year on or about July 1); and

(b) Personal bonds, which are secured by a cashier's check, certified check, certificate of deposit, negotiable securities such as Treasury notes, or an irrevocable letter of credit (see 43 CFR 3214.21 and 3214.22).

§ 3214.16 Is there a special bond form I must use?

Use a BLM-approved bond form (Form 3000-4, or Form 3000-4a, June 1988 or later editions) for either a corporate surety bond or a personal bond.

§ 3214.17 Where must I submit my bond?

File personal or corporate surety bonds and statewide bonds in the BLM State Office which oversees your lease or operations. You may file nationwide bonds in any BLM State Office. File bond riders in the BLM State Office where your underlying bond is located. For personal or corporate surety bonds, file one originally signed copy of the bond.

§ 3214.18 Who will BLM hold liable under the bond and what are they liable for?

We will hold all interest owners in a lease jointly and severally liable for compliance with the requirements of 43 CFR 3200.4 for obligations that accrue while they hold their interest. Among other things, all interest owners are jointly and severally liable for:

- (a) Plugging and abandoning wells;
- (b) Reclaiming the surface;
- (c) Paying compensatory royalties assessed for drainage; and
- (d) Paying rent.

§ 3214.19 What are my bonding requirements when a lease interest is transferred to me?

(a) Except as otherwise provided in this section, if the lands transferred to you contain a well or any other surface disturbance which the original lessee did not reclaim, you must post a bond under this subpart.

(b) If the original lessee does not transfer all interest in the lease to you,

you may become a co-principal on the original bond, rather than posting a new bond.

(c) You do not need to post an additional bond if:

- (1) You previously furnished a statewide or nationwide bond; or
- (2) The operator provided the original bond, and the operator does not change.

§ 3214.20 How do I modify or extend the terms and conditions of my bond?

You may modify your bond by submitting a rider to the BLM State Office where your bond is held. There is no special form required.

§ 3214.21 What must I do if I want to use a certificate of deposit to back my bond?

Your certificate of deposit must:

- (a) Be issued by a Federally-insured financial institution authorized to do business in the United States;
- (b) Include on its face the statement, "[t]he Secretary of the Interior or his delegatee must approve redemption of this certificate by any party;" and
- (c) Be payable to the Department of the Interior, Bureau of Land Management.

§ 3214.22 What must I do if I want to use a letter of credit to back my bond?

Your letter of credit must:

- (a) Be issued by a Federally-insured financial institution authorized to do business in the United States;
- (b) Be payable to the Department of the Interior, Bureau of Land Management;
- (c) Be irrevocable during its term and have an initial expiration date of no sooner than one year after the date we receive it;
- (d) Be automatically renewable for a period of at least one year, unless the issuing financial institution gives us written notice, at least 90 days before the letter of credit expires, that it will no longer renew the letter of credit; and
- (e) Include a clause that authorizes the Secretary of the Interior to demand immediate payment, in part or in full, if you do not meet your obligations under the requirements of 43 CFR